



## Pharmacy

### November 2006 • Bulletin 642

#### Contents

##### *Opt Out Enrollment Form*

Revised UPN Medical Supply Pilot Implementation Plan.....	1
Disposable Gloves Billing Update .....	2
Rate Corrections for Selected Orthotics .....	2
California Children's Services Modifier Update .....	2
Corrections: DME Items Reimbursable Only to CCS Providers.....	3
Family PACT: Provider Orientation and Update Sessions .....	3

### Revised UPN Medical Supply Pilot Implementation Plan

Beginning January 1, 2008, the California Department of Health Services (CDHS) is planning to implement the Medical Supply Universal Product Number (UPN) Pilot in two phases.

- Phase I: Implementation of batch claims processing via Computer Media Claims (CMC), Internet Professional Claims Submission (IPCS) and paper claim processing. The implementation date is January 1, 2008.
- Phase II: Implementation of online real-time claims processing via IPCS, Point of Service (POS) device (ASC X12N 837 v.4010A1 Professional transaction) and POS network leased line and dial-up. This phase will also include batch claims processing via the POS device for 837 Professional transactions. The implementation date is July 1, 2008.

#### Background

The Health Insurance Portability and Accountability Act (HIPAA) mandates the use of HCPCS Level II codes on electronic medical supply claims. As a result, CDHS plans to discontinue all interim medical supply codes and convert to HCPCS Level II codes. Due to the generic nature of the HCPCS Level II codes, CDHS requested, and was granted, an exception to the HIPAA standards by the Centers for Medicare and Medicaid Services (CMS). The exception allows for the use of the UPN as part of a two-year pilot for billing and payment of medical supplies within the following four product categories:

- Urinary catheters and bags (urologicals)
- Incontinence supplies
- Ostomy care products
- Wound care products

CDHS will seek volunteers to participate in the UPN pilot. Some of the advantages of participating in the UPN pilot include:

- Online real-time claims processing and immediate claim status notification. This feature will be available beginning July 1, 2008.
- No requirement to submit pricing attachments (via batch or online real-time).
- Improved speed and accuracy of claim payments.

Providers who choose not to participate in the UPN pilot will be required to bill HCPCS Level II codes on all medical supply claims. The majority of these claims will continue to require pricing attachments, and online real-time claims processing will not be available.

### Disposable Gloves Billing Update

The California Department of Health Services has negotiated new contracts with manufacturers of disposable gloves and, effective for dates of service on or after February 1, 2007, will change the way providers bill for disposable gloves.

Effective for dates of service on or after February 1, 2007, providers must bill disposable gloves with the billing codes noted on pages 24 through 37 of the *Medical Supplies List 1 (A through G)* section. All other manufacturers' products not included in a contract will no longer be a benefit of the Medi-Cal program. Providers who obtained *Treatment Authorization Requests* (TARs) prior to February 1, 2007 for non-contracted items will be allowed to continue billing these items until their TAR authorization is exhausted.

Effective for dates of service on or after November 1, 2006, providers may begin purchasing disposable gloves at the new Medi-Cal Maximum Acquisition Cost (MAC). Providers should bill these contracted products using the current payment method, using billing codes 9911A or 9911B.

During the three-month transition period between dates of service of November 1, 2006 and January 31, 2007, providers may also bill any non-contracted products using the current payment method.

The existing restriction of no more than 200 gloves in a 27-day period, per recipient, without prior authorization, and the limit of 100 per prescription remain unchanged.

### Disposable Glove Addition

Effective for dates of service on or after February 1, 2007, the Cardinal (2N) disposable glove is a Medi-Cal authorized product.

*These changes are reflected on manual replacement pages mc sup lst1 24 thru 37 (Part 2).*

### Rate Corrections for Selected Orthotics

Reimbursement rates for the following orthotic appliances were listed incorrectly in the October 2006 *Medi-Cal Update*. The correct rates, which are effective for dates of service on or after November 1, 2006, are listed below.

<u>HCPSC Code</u>	<u>Description</u>	<u>Rate</u>
L2036	Full plastic, double upright, with or without free motion knee, with or without free motion ankle, custom fabricated	\$ 943.12
L2037	Full plastic, single upright, with or without free motion knee, with or without free motion ankle, custom fabricated	943.12
L2038	Full plastic, double upright, with or without free motion knee, multi-axis ankle, custom fabricated	811.87
L3215	Ladies shoe, oxford, each	42.12
L3971	Molded shoulder, arm, forearm, and wrist, with articulating elbow joint, custom fabricated	1,077.21

*Corrected rates are reflected on manual replacement pages ortho cd1 15, 21 and 29 (Part 2).*

### California Children's Services (CCS) Modifier Update

Effective for dates of service on or after November 1, 2005, California Children's Services (CCS) modifiers for Durable Medical Equipment (DME), hearing aids and hearing aid accessories and services were revised in compliance with HIPAA.

*Please see **CCS Modifiers**, page 3*

CCS Modifiers (*continued*)

The following interim modifiers were terminated:

- Y1 (rental without sales tax [DME, hearing aids])
- Y2 (purchase, repair, mileage, without sales tax [standard item; DME, hearing aids])
- Y5 (purchase, less one month's rental, without sales tax [DME])
- Y6 (rental with sales tax [DME, hearing aids])
- Y7 (purchase, repair, mileage, with sales tax [standard item; DME, hearing aids])
- YP (purchase, less one month's rental, with sales tax [DME])

Claims for all DME codes and hearing aid and accessories codes must now be billed with national modifier NU (new equipment purchase), RP (repair) or RR (rental), as appropriate.

*This information is reflected in the CCS Program Billing Guidelines chart (Part 2) and on manual replacement page cal child sar 8 (Part 2).*

### Corrections: DME Items Reimbursable Only to CCS Providers

HCPCS codes A4606 (oxygen probe), E0639 and E0640 (patient lifts) were incorrectly included in the *Durable Medical Equipment (DME) Billing Codes: Frequency Limits* section of the manual.

These codes are not reimbursable for adult Medi-Cal recipients and should not have been included in that manual section. The codes are reimbursable only for CCS clients. They have been correctly listed in the *Durable Medical Equipment (DME): Billing Codes for California Children's Services (CCS)* section.

*Corrections are reflected on manual replacement pages dura cd ccs 1 (Part 2) and dura cd fre 1 and 2 (Part 2).*



### Provider Orientation and Update Sessions

Medi-Cal providers seeking enrollment in the Family PACT (Planning, Access, Care and Treatment) Program are required to attend a Provider Orientation and Update Session. The dates for upcoming sessions are listed below.

Individual and group providers wishing to enroll must send a physician-owner to the session. Clinics wishing to enroll must send the medical director or clinician responsible for oversight of medical services rendered in connection with the Medi-Cal provider number.

Office staff members, such as clinic managers, billing supervisors and patient eligibility enrollment supervisors, are encouraged to attend but are not eligible to receive a *Certificate of Attendance*. Currently enrolled clinicians and staff are encouraged to attend to remain current with program policies and services. Medi-Cal laboratory and pharmacy providers are automatically eligible to participate in the Family PACT Program without attending an orientation session.

The session covers Family PACT provider enrollment and responsibilities, client eligibility and enrollment, special scope of client services and benefits, provider resources and client education materials. This is not a billing seminar.

Please note the upcoming Provider Orientation and Update Sessions below.

#### ***Palm Springs***

**December 11, 2006**

**8:30 am – 4:30 pm**

SPA Resort in Palm Springs  
100 North Indian Canyon Drive  
Palm Springs, CA 92262  
(760) 883-1000

#### ***Fresno***

**February 22, 2007**

**8:30 am – 4:30 pm**

Picadilly Inn – West Shaw Hotel  
2305 West Shaw Avenue  
Fresno, CA 93711  
(559) 226-3850

*Please see **Family PACT**, page 4*

Family PACT (*continued*)

**San Bernardino**

**April 12, 2007**

**8:30 am – 4:30 pm**

Clarion Hotel & Convention Center

295 North E Street

San Bernardino, CA 92401

(909) 381-6181

For a map and directions for these locations, go to the Family PACT Web site ([www.familypact.org](http://www.familypact.org)) and click “Providers” at the top of the home page, then “Provider Training,” and finally, click the appropriate location. In the “Provider Orientation & Update Session” document, click the “For directions: click here” link.

**Registration**

To register for an orientation and update session, go to the Family PACT Web site ([www.familypact.org](http://www.familypact.org)) and click “Providers” at the top of the home page, then “Provider Training,” and finally, click the “Registration” link next to the appropriate date and location and print a copy of the registration form.

Fill out the form and fax it to the Office of Family Planning, ATTN: Darleen Kinner, at (916) 650-0468. If you do not have Internet access, you may request the registration form by calling 1-877-FAMPACT (1-877-326-7228).

Providers must supply the following when registering:

- Name of the Medi-Cal provider or facility
- Medi-Cal provider number
- Contact telephone number
- Anticipated number of people attending

**Check-In**

Check-in begins at 8 a.m. All orientation sessions start promptly at 8:30 a.m. and end by 4:30 p.m. At the session, providers must present the following:

- Medi-Cal provider number
- Medical license number
- Photo identification

**Note:** Individuals representing a clinic or physician group should use the clinic or group Medi-Cal provider number, not an individual provider number or license number.

**Certificate of Attendance**

Upon completion of the orientation session, each prospective new Family PACT medical provider is mailed a *Certificate of Attendance*. Providers should include the original copy of the *Certificate of Attendance* when submitting the Family PACT application and agreement forms (available at the session) to Provider Enrollment Services. Providers arriving late or leaving early will not be mailed a *Certificate of Attendance*. Currently enrolled Family PACT providers do not receive a certificate.

**Contact Information**

For more information about the Family PACT Program, please call 1-877-FAMPACT (1-877-326-7228) or visit the Family PACT Web site at [www.familypact.org](http://www.familypact.org).

*The Family PACT Program was established in January 1997 to expand access to comprehensive family planning services for low-income California residents.*

**Pharmacy Bulletin 642**

Remove and replace: *Contents for Pharmacy Billing and Policy i/ii \**

Remove and replace  
at the end of the  
*California Children's  
Services (CCS)  
Program Billing*  
section: *CCS Program Billing Guidelines 1/2*

Remove: cal child sar 7 thru 9  
Insert: cal child sar 7/8

Remove and replace: cal child ser 1/2 \*

Insert: cal child ser 23 \*

Remove and replace: dura cd ccs 1  
dura cd fre 1/2  
forms leg 3/4 \*  
forms reo ph 1/2 \*  
mc sup lst1 23 thru 37  
mc sup man cd 3/4 \*  
ortho cd1 15/16, 21/22, 29/30

\* Pages updated due to ongoing provider manual revisions.